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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Operation in Burundi

Financial performance report for the period from 1 July 2006 to 30 June 2007 of the United Nations Operation in Burundi

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2006/07	$128,536,700
Expenditure for 2006/07	$118,534,100
Unencumbered balance	$10,002,600

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report on the budget of the United Nations Operation in Burundi (ONUB) for the period from 1 July 2006 to 30 June 2007 (A/62/668).

2. The general report of the Advisory Committee on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to ONUB.

3. The documents reviewed and those used for background by the Advisory Committee in its consideration of the financing of ONUB are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2006 to 30 June 2007

Mandate and results

4. The mandate of ONUB was established by the Security Council in its resolution 1545 (2004) to restore lasting peace and bring about national reconciliation in Burundi. By its resolution 1692 (2006), the Council extended the mandate of ONUB for a final period of six months, until 31 December 2006. Subsequently, in its resolution 1719 (2006), the Council requested the Secretary-General to establish the United Nations Integrated Office in Burundi (BINUB) for an initial period of 12 months, commencing on 1 January 2007.

5. The budget for ONUB for the period from 1 July 2006 to 30 June 2007 was set out in the report of the Secretary-General dated 1 September 2006 (A/61/309). The General Assembly, by its resolution 61/9, appropriated an amount of $128,536,700 for the Mission for the period from 1 July 2006 to 30 June 2007, inclusive of the amount of $78,959,200 previously authorized in its resolution 60/269.

6. The Advisory Committee notes that the final performance report for ONUB will be submitted to the General Assembly at its sixty-third session (see A/62/668, para. 29 (c)).

Information on financial performance

7. The Advisory Committee was informed that, as at 30 November 2007, a total of $804,306,000 had been assessed on Member States in respect of ONUB since its inception. Payments received as at the same date amounted to $801,325,000, leaving a balance of $2,981,000. The Committee was also informed that troop-cost reimbursement payments made during 2007 amounted to $8,228,000; there was no outstanding balance. With regard to contingent-owned equipment, the Committee was informed that the estimated amount owed as at 31 December 2007 was $1,427,000 for claims certified up to July 2007, while payments to Member States during the year totalled $3,001,000. As at 31 December 2007, $837,000 had been paid for 19 claims for death and disability compensation since the inception of the Mission, while unliquidated obligations totalled $185,000, and 5 claims remained outstanding. **The Committee emphasizes that all outstanding death and disability claims should be settled expeditiously.**

8. The Advisory Committee notes that, as at 30 June 2007, cash available in the Special Account for ONUB amounted to $109,218,000 and cash required to cover total liabilities amounted to $84,881,000, resulting in net available cash of $24,337,000. Credits due to Member States amounted to $30,729,800 comprising an unencumbered balance of $10,002,600 with respect to the 2006/07 financial period and other income of $20,727,200 for the period ended 30 June 2007 (see A/62/668, sect. V). **The Committee expresses its concern that the cash shortfall of $6,392,800 continues to impede the return of the full credits of $30,729,800 due to Member States.**

Utilization of resources

9. Expenditures for the period from 1 July 2006 to 30 June 2007 totalled $118,534,100, which is $10,002,600, or 7.8 per cent, lower than the appropriation of $128,536,700 (see A/62/668, sect. III.A). The Mission's unutilized balance of $10,002,600 is the net effect of underexpenditures and additional requirements under various budget lines. Underexpenditures were attributable mainly to lower requirements under: (a) repatriation of military contingents and contingent-owned equipment, owing to the transfer of one medical unit to the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) instead of planned transportation to the home country, as well as to the retention of one battalion in Burundi subsequently transferred to the African Union Special Task Force; (b) international staff, as a result of a higher-than-anticipated separation rate during the downsizing of the Mission; (c) facilities and infrastructure, owing to the earlier-than-planned termination of contracts for the lease of premises and cost-sharing arrangements with BINUB; and (d) other supplies, services and equipment, owing primarily to the shipment of United Nations-owned equipment suitable for use by other peacekeeping operations directly to the recipient missions, which then bore the transportation costs.

10. Overexpenditures were attributable mainly to increased requirements under: (a) ground and air transportation, due to the underestimation of vehicle fuel requirements and the higher actual consumption of aviation fuel by helicopters and increased expenditure for rental and operation of both fixed-wing aircraft and helicopters; (b) medical, due to higher actual requirements for the reimbursement of troop-contributing Governments for self-sustainment costs; and (c) national staff, attributable mainly to higher expenditure on staff assessment and common staff costs, owing to the increase in the remuneration of national staff effective December 2005 and to staff entitlements related to prior periods.

11. The Advisory Committee notes that the liquidation of assets, a total of 16,599 items with an inventory value of $50,228,357, has been carried out either through transfers to the United Nations Logistics Base at Brindisi, Italy, the logistics hub in Entebbe, Uganda and other peacekeeping missions, or through donations and commercial disposal. However, the Committee notes that the planned indicators of achievement included the liquidation of 17,215 items with an inventory value of $55.3 million (see A/62/668, sect. II, expected accomplishment 5.2). Upon enquiry, the Committee was informed that the ongoing process of reconciliation of the mission inventory was expected to be completed in a few months and that it could explain the differences in the number and value of the assets for liquidation. **The Committee recommends that the result of the reconciliation process be included in the final performance report for ONUB.**

Follow-up to quick-impact project funds

12. In its last report on ONUB, the Advisory Committee noted that one quick-impact project had been abandoned as a result of the misappropriation of funds by an implementing partner and that an investigation into the misappropriation of funds had been initiated by the Mission (A/61/852/Add.6, para. 19). The Committee notes the Mission's response (see A/62/668, annex, sect. B) to the Committee's observation. In this connection, the Committee also notes that the investigation has

determined that an amount of $6,360 has been misappropriated by the implementing partner. The misappropriated funds are subject to write-off, which will be reported to the United Nations Board of Auditors. Upon enquiry, the Committee was further informed that the write-off of the funds and subsequent reporting to the Board of Auditors were under way.

III. Conclusion

13. The actions to be taken by the General Assembly in connection with the financing of ONUB for the period from 1 July 2006 to 30 June 2007 are set out in paragraph 29 of the performance report (A/62/668).

14. **The Advisory Committee recommends that the amount of $24,337,000, representing net cash available in the Special Account of the Operation as at 30 June 2007 from the total amount of $30,729,800, be credited to Member States in a manner to be determined by the General Assembly (see para. 8 above).**

15. The Secretary-General has recommended that a decision be deferred to the sixty-third session of the General Assembly, to be considered in the context of the final performance report of the Operation, on the treatment of the amount of $6,392,800, representing a cash shortfall in the Special Account of the Operation as at 30 June 2007 from the total amount of $30,729,800 (see para. 8 above). **The Committee has no objection to the recommendation of the Secretary-General.**

Documentation
• Performance report on the budget of the United Nations Operation in Burundi for the period from 1 July 2006 to 30 June 2007 (A/62/668)
• Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2005 to 30 June 2006 of the United Nations Operation in Burundi (A/61/852/Add.6)
• Budget for the United Nations Operation in Burundi for the period from 1 July 2006 to 30 June 2007 (A/61/309)
• General Assembly resolutions 61/9 A and B
• Security Council resolutions 1545 (2004), 1692 (2006) and 1719 (2006)